GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3262
ANSWERED ON:04.08.2017
Growth of Core Sectors
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Will the Minister of FINANCE be pleased to state:

(a) whether the Government has taken cognizance of the fact that the growth of eight core sectors has slowed to 3.6 percent in May;

(b) if so, the details thereof and the reasons for this abysmal growth of core sectors in recent times;

(c) the corrective steps taken by the Government in this regard;

(d) whether the Government has noted the fact that some of the sectors have recorded even negative growth rate during the said period, if so, the details thereof, sector-wise; and

(e) whether manufacturing sector growth declined to 5.3 percent in the last quarter from 8.2 percent in the preceding quarter and the growth rate was 12.7 percent in the same period during the previous year, if so, the details thereof and the reasons therefor along with the corrective measures taken by the Government in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI ARJUN RAM MEGHWAL)

(a) to (d) As per the First Revised Estimate by the Office of Economic Adviser, Department of Industrial Policy & Promotion, Ministry of Commerce & Industry, the Index of Eight Core Industries registered a higher growth of 4.1 per cent in May, 2017 as compared to 2.8 per cent in April 2017. There was positive growth in Electricity (8.6%), Refinery Products (5.4%), Natural Gas (4.5%), Steel (3.9%), Crude Oil (0.7%), although there was negative growth in three sectors including Fertilizers (-6.5%), Coal (-3.2%) and Cement (-0.4%) during May,2017.

(e) As per the data released by Central Statistics Office on May 31, 2017, the growth in Gross Value Added (GVA) of manufacturing sector is 5.3 per cent in Q4 of 2016-17 as compared to 8.2 per cent in Q3 of 2016-17 and 12.7 per cent in Q4 of 2015-16. The comparatively lower manufacturing growth may be attributed to decelerated global economic growth and depressed private investment cycle. The Government is continuously taking steps to facilitate manufacturing production and growth. These inter-alia, include implementation of Goods and Services Tax, Ease of Doing Business, further liberalisation of foreign direct investment policy, and 'Make in India' initiative under which identified thrust sectors are being given a push to enhance manufacturing in India.
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